

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5716-01
Bill No.: HB 2178
Subject: Education, Elementary and Secondary
Type: Original
Date: February 12, 2016

Bill Summary: This proposal requires high schools to offer driver's education courses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$67,945)	(\$79,996)	(\$80,806)
Total Estimated Net Effect on General Revenue	(\$67,945)	(\$79,996)	(\$80,806)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	(Could exceed \$10,654,880)	(Could exceed \$2,159,280)	(Could exceed \$1,500,000)

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal requires all public high schools to offer a driver's education course that constitutes one unit of credit. Oversight notes there are 518 school districts in the state. 70 of those districts are K-8 only districts. Therefore, 448 school districts (which have 611 high schools) and 14 charter high schools would be required to offer the driver's education course.

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this proposal would require one FTE Director to work directly with all 611 high schools and 14 charter high schools enrolling 268,696 students and getting new programs off the ground. The Director would develop curriculum, based on the American Driver and Traffic Safety Education Association (ADTSEA) standards 3; to assist in developing and/or re-opening driver's training programs for teachers (certified teachers must have an additional 12 hours in four driver education-specific courses to be certified); to work closely with and gain support from MoDOT, Missouri Dept. of Revenue, and Mo Highway Patrol on issues pertaining to the graduated driver's license, driver and passenger safety, road hazards, etc.; to work with car dealers and insurance companies to develop state-wide purchases if possible; to assess Missouri driver's education programs (teen accidents, teen auto fatalities, teen DUIs and DWIs, etc.; to assure students are getting the appropriate number of classroom and driving hours to be eligible for a driver's license; and to assist schools as they offer assistance to adults.

DESE assumes costs to local schools will be significant. DESE defers to them regarding the extent of such costs.

Oversight has, for fiscal note purposes only, adjusted the salary and benefits of the Director to correspond with the range for starting salary posted by DESE for a similar position.

Officials at the **Bakersfield R-IV School District** assume a cost of \$50,000 annually.

Officials at the **Bowling Green School District** assume this would add two additional staff at a cost of \$100,000. It would add another course which would limit what other classes could be offered.

Officials at the **Brentwood School District** assume they already offer a .5 unit of credit driver's ed class. To increase to the 1 unit of credit would require one additional FTE (\$75,000) and one-time purchase and up keep on an additional car of \$35,000.

ASSUMPTION (continued)

Officials at the **Campbell R-II School District** assume a significant but unknown impact on the district.

Officials at the **Central R-III School District** assume the impact in year one is \$100,000 and \$54,000 in subsequent years.

Officials at the **Chilhowee School District** assume this would cost a considerable amount as it would require a staff member certified in Driver's Education, a vehicle for the purpose of the class as well as insurance. The exact figures are not known at this time.

Officials at the **Chillicothe School District** assume the expense is for the teacher, car and insurance. The impact is unknown. Certification expenses for the teacher would be expenses. None of the current teachers in the district are certified.

Officials at the **Concordia School District** assume the cost of a new teacher is \$42,500. The lease of a car and fuel would add another \$4,350 annually.

Officials at the **Eldon School District** assume a cost of \$80,000.

Officials at the **East Newton School District** assume a cost of \$42,000.

Officials at the **Everton School District** assume the initial cost is \$100,000 for personnel and equipment. Another \$50,000 annually in second and subsequent years.

Officials at the **Forsyth R-III School District** assume \$15,000 for a vehicle and \$3,500 for certification of a teacher.

Officials at the **Kansas City Public Schools** assume a substantial negative impact. The district has 8 high schools. The equipment costs would be \$500,000 for the first year. Additional bonding and insurance costs may exceed several hundred thousand annually. The district has no way to estimate site acquisition costs necessary to implement. This could exceed \$1 million in the first year.

Officials at the **Kennett School District** assume a cost of \$45,000 to hire a teacher certified in driver's education.

ASSUMPTION (continued)

Officials at the **Lewis County C-1 School District** assume the expense is unknown as the number of students is unknown. Two teachers would be needed, as well as a car, insurance, and maintenance.

Officials at the **Macon County R-IV School District** assume they only have 18 students in their junior and senior year. They would need to share a teacher or have an existing teacher become certified.

Officials at the **Malta Bend School District** assume the impact is unknown but could be significant.

Officials at the **Mexico 59 School District** assume one staff person (\$40,000), one car (\$30,000) and classroom set up (\$20,000).

Officials at the **Milan C-2 School District** assume \$45,000 - \$55,000 for a full time teacher. Plus purchase of car, insurance and certification costs for the teacher. This is expected to exceed \$100,000.

Officials at the **Monroe City R-I School District** assume \$42,250 for a certified teacher. Unknown costs for the car and insurance.

Officials at the **New Haven School District** assume this would require \$45,000 for staff and auto costs.

Officials at the **Osborn R-O School District** assume this would have a detrimental impact on the district; the amount which cannot be determined at this time.

Officials at the **Renick School District** assume \$30,000 for the teacher and unknown costs for the purchase of a car and insurance.

Officials at the **Richland R-I School District** assume this would require the purchase of a car and the hiring of a teacher. The exact impact is unknown at this time.

Officials at the **Richmond R-XVI School District** assume this would require a new teacher at \$44,000 annually.

Officials at the **Seymour R-II School District** assume a 1/4 FTE at a cost of \$12,000.

ASSUMPTION (continued)

Officials at the **St. Elizabeth School District** assume \$6,000 for a teacher and supplies. \$18,000 for a car if they can't get someone to donate one.

Officials at the **Verona High School** assume this would require a new teacher, car and insurance. It is unknown how much all that would cost.

Officials at the **Webster Groves School District** assume \$80,200 for a certified salary teacher with health insurance and retirement. \$32,000 to convert a car for driver's education and \$25 per student for materials and books. Total of \$112,825.

Officials at the **West Plains School District** assume costs associated with additional instructors, equipment, insurance and facility space. Start up costs of \$200,000 - \$400,000. Annual costs of \$120,000 to \$150,000.

Officials at the **Wright City R-II School District** assume a cost of \$60,000 annually.

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

Officials at the **Kingston 42 School District** and the **Pettis County R-XII School District** each assume this proposal would not have a fiscal impact as they are K-8 districts.

Officials at the **Hollister R-V School District** responded to Oversight's request but did not indicate an impact.

DESE provided to Oversight a list of the school districts that already offer driver's education. 22 schools offer drivers education during the regular school year (a semester course). 89 offer drivers education during summer school (a semester course). 10 of the schools that offer during the regular session also offer during summer school and are included in those 89 districts.

Oversight notes this proposal would require the drivers education course to be one unit of credit which is a full year course. Therefore it could no longer be offered during summer school. Additionally, the schools that currently offer would need to extend the course and depending on number of students taking the course, may need an additional teacher and vehicle.

Oversight notes that in order to be certified to teach drivers education a person must hold a teachers certificate and take 4 courses (12 semester hours) of special courses. The Missouri State University offers the drivers education certification program. In the last three years the

ASSUMPTION (continued)

University confirmed there have only been 13 people enrolled in the courses. Upon completion of the courses a person applies to DESE to be issued a Driver Education Certificate. DESE's record indicate that 379 people currently hold a valid Driver Education Certificate. However, DESE is unable to determine how many of the 379 are currently teaching in schools.

DESE informed **Oversight** that the University of Central Missouri (UCM) also provided training for the drivers education certification. Oversight reached out to UCM to determine how many students may have completed the program in the last few fiscal years. Oversight did not receive a response from UCM in time to provide the information in the fiscal note.

Oversight notes that Missouri State University charges \$205 per credit hour for the drivers education course. Oversight notes this program is offered as 2 courses over 2 summers. The tuition cost for the courses is \$2,460 (\$205 x 12 hours). Oversight notes this cost does not include fees, housing or meals for the teachers. Oversight will show the impact as 536 high schools (625 high schools - 89 currently have a teacher) needing to certify a teacher. The impact will be Greater than \$659,280 (536 schools x \$2,460/2). Oversight notes the certification payments will be made over two years.

Oversight notes this proposal would require the purchase of a vehicle. Oversight will show the impact to the schools in the first year for the purchase of a car. Oversight will show the impact as Could exceed \$8,040,000 (536 schools x \$15,000 car).

Oversight notes that drivers education vehicles are equipped with passenger side brakes (\$369) and instructor rear and side view mirrors (\$28 each). These costs are for the purchase and do not include installation. Oversight will show the impact as Could exceed \$455,600 (536 schools x \$850 parts and installation).

Oversight notes that schools would need insurance on the vehicles. At \$1,000 a year for insurance it would cost \$536,000 (536 x \$1,000). Oversight is unable to determine how much insurance the schools would need. Oversight will show the impact to the schools as Could exceed \$1 million each year.

Oversight notes the schools may have additional expenses with offering drivers education. Each year they would have fuel and maintenance costs for the vehicle. They may have to create driving range facilities. Additionally, school districts may need to have two teachers (\$25,000 starting salary) for each class (one with the students in the vehicle and one for those students left in the classroom). Oversight is not able to determine a fiscal impact for these items. Oversight will show the impact as Could exceed \$500,000 for each fiscal year.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Cost - DESE</u>			
Personal Service	(\$40,460)	(\$49,038)	(\$49,528)
Fringe Benefits	(\$19,464)	(\$23,489)	(\$23,623)
Equipment and Expenses	<u>(\$8,021)</u>	<u>(\$7,469)</u>	<u>(\$7,655)</u>
<u>Total Cost - DESE</u>	<u>(\$67,945)</u>	<u>(\$79,996)</u>	<u>(\$80,806)</u>
FTE Change - DESE	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$67,945)</u>	<u>(\$79,996)</u>	<u>(\$80,806)</u>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
LOCAL SCHOOL DISTRICTS			
<u>Cost - School Districts</u>			
Teacher Certification	(Could exceed \$659,280)	(Could exceed \$659,280)	\$0
Purchase of Car	(Could exceed \$8,040,000)	\$0	\$0
Retrofit Cars for Teacher Controls	(Could exceed \$455,600)	\$0	\$0
Insurance	(Could exceed \$1,000,000)	(Could exceed \$1,000,000)	(Could exceed \$1,000,000)
Fuel, Maintenance, Teacher	(Could exceed \$500,000)	(Could exceed \$500,000)	(Could exceed \$500,000)
<u>Total Costs - Schools</u>	<u>(Could exceed \$10,654,880)</u>	<u>(Could exceed \$2,159,280)</u>	<u>(Could exceed \$1,500,000)</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	(Could exceed <u>\$10,654,880</u>)	(Could exceed <u>\$2,159,280</u>)	(Could exceed <u>\$1,500,000</u>)

FISCAL IMPACT - Small Business

Small businesses that teach drivers' education may be negatively impacted by this proposal.

FISCAL DESCRIPTION

This bill requires all public high schools, including charter schools, to offer a one credit driver's education course as an elective credit. Driver's education will not be required for high school graduation.

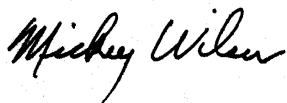
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Bakersfield School District
 Bowling Green School District
 Brentwood School District
 Campbell R-II School District
 Central R-III School District

SOURCES OF INFORMATION (continued)

Chilhowee R-IV School District
Chillicothe School District
Concordia School District
Department of Elementary and Secondary Education
East Newton School District
Eldon School District
Everton School District
Forsyth R-III School District
Hollister R-V School District
Joint Committee on Administrative Rules
Kansas City Public Schools
Kennett School District
Kingston 42 School District
Lewis County C-1 School District
Macon County R-IV School District
Malta Bend School District
Mexico 59 School District
Milan C-2 School District
Monroe City R-I School District
New Haven School District
Osborn R-O School District
Office of the Secretary of State
Pettis County R-XII School District
Renick School District
Richland R-I School District
Richmond R-XVI School District
Seymour R-II School District
St. Elizabeth School District
Verona High School
Webster Groves School District
West Plains School District
Wright City R-II School District



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Mickey Wilson, CPA
Director
February 12, 2016

Ross Strobe
Assistant Director
February 12, 2016